

Registered number

06338847

Covesion Limited

Filleted Accounts

31 December 2023

Covesion Limited
Statement of Financial Position
as at 31 December 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	4	51,532	61,467
Tangible assets	5	118,480	99,719
		<u>170,012</u>	<u>161,186</u>
Current assets			
Stocks		466,776	465,856
Debtors	6	786,138	558,699
Cash at bank and in hand		473,999	327,595
		<u>1,726,913</u>	<u>1,352,150</u>
Creditors: amounts falling due within one year	7	(564,402)	(280,311)
Net current assets		<u>1,162,511</u>	<u>1,071,839</u>
Total assets less current liabilities		<u>1,332,523</u>	<u>1,233,025</u>
Creditors: amounts falling due after more than one year	8	(110,000)	(170,000)
Provisions for liabilities		(30,000)	(48,135)
Net assets		<u>1,192,523</u>	<u>1,014,890</u>
Capital and reserves			
Called up share capital		44,934	44,934
Share premium		1,074,106	1,074,106
Capital contribution reserve	11	527,410	527,410
Profit and loss account		(453,927)	(631,560)
Shareholders' funds		<u>1,192,523</u>	<u>1,014,890</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

Mr M Day

Director

Approved by the board on 25 September 2024

Company registration number: 06338847

Covesion Limited
Notes to the Accounts
for the year ended 31 December 2023

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors have prepared forecasts for a period greater than one year from the date of signature of the financial statements and have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future.

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill and other intangibles	- 20% straight line
Leasehold property	- over the life of the lease

If there is an indication that there has been a significant change in amortisation rate, useful life, or the residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and development

Research expenditure is written off in the period in which it is incurred.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	15% straight line
Fixtures and fittings	15% straight line
Equipment	33% straight line

Stocks

Stocks are measured at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not material and therefore the provisions are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

Operating lease payments are recognised as an expense on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term on a straight line basis.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Profit before taxation	2023	2022
	£	£

Profit before taxation is stated after charging:

Depreciation of tangible assets	25,030	24,482
Amortisation of intangible assets	9,935	2,543

3 Employees	2023	2022
	Number	Number

Average number of persons employed by the company	<u>26</u>	<u>21</u>
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4 Intangible fixed assets		£
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Goodwill and other intangibles:

Cost

At 1 January 2023		<u>284,046</u>
At 31 December 2023		<u>284,046</u>

Amortisation

At 1 January 2023		222,579
Provided during the year		<u>9,935</u>
At 31 December 2023		<u>232,514</u>

Net book value

At 31 December 2023		<u>51,532</u>
At 31 December 2022		<u>61,467</u>

Intangible assets comprise

Patents Goodwill Leasehold

	£	£	property £	Total £
Cost				
At 1 January 2023 and 31 December 2023	200,909	53,137	30,000	284,046
Amortisation				
At 1 January 2023	191,576	26,878	4,125	222,579
Provided during the year	2,000	5,627	2,308	9,935
At 31 December 2023	193,576	32,505	6,433	232,514
Net book value				
At 31 December 2023	7,333	20,632	23,567	51,532
At 31 December 2022	9,333	26,259	25,875	61,467

5 Tangible fixed assets

	Fixtures and fittings £	Plant and machinery etc £	Equipment £	Total £
Cost				
At 1 January 2023	11,819	190,885	22,623	225,327
Additions	2,709	22,382	18,700	43,791
At 31 December 2023	14,528	213,267	41,323	269,118
Depreciation				
At 1 January 2023	2,124	108,722	14,762	125,608
Charge for the year	1,603	17,194	6,233	25,030
At 31 December 2023	3,727	125,916	20,995	150,638
Net book value				
At 31 December 2023	10,801	87,351	20,328	118,480
At 31 December 2022	9,695	82,163	7,861	99,719

6 Debtors

	2023 £	2022 £
Trade debtors	295,832	190,700
Other debtors	490,306	367,999
	786,138	558,699

7 Creditors: amounts falling due within one year

2023 £	2022 £
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Bank loans and overdrafts	60,000	60,000
Trade creditors	226,020	33,236
Taxation and social security costs	51,230	28,193
Other creditors	227,152	158,882
	<u>564,402</u>	<u>280,311</u>

8 Creditors: amounts falling due after one year **2023** **2022**
£ £

Bank loans	<u>110,000</u>	<u>170,000</u>
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9 Loans **2023** **2022**
£ £

Creditors include:

Secured bank loans	<u>170,000</u>	<u>230,000</u>
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The company's bank loan is repayable over 60 months and bears an interest rate of 3.99% and is secured by a fixed and floating charge over all assets. At 31 December 2023 a total of £170,000 (2022: £230,000) remains outstanding of which £60,000 (2022: £60,000) falls due for repayment within one year.

10 Share based payments

Equity settled

At 31 December 2023, the following share options were outstanding in respect of EMI and unapproved share option plans:

EMI Options

301,882 share options were granted in 2020 (granted to 4 employees, with an exercise price of £0.01 per share). All of these options are fully vested.

Unapproved options

100,627 share options were granted in 2020 (granted to 1 consultant, with an exercise price of £0.01 per share) and are all fully vested.

11 Capital contribution reserve **2023** **2022**
£ £

At 1 January 2023	527,410	527,410
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At 31 December 2023	<u>527,410</u>	<u>527,410</u>
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12 Other financial commitments **2023** **2022**
£ £

Total future minimum payments under non-cancellable operating

leases

95,105

142,636

13 Other information

Covesion Limited is a private company limited by shares and incorporated in England. Its registered office is:

Unit F3, Adanac Park
Adanac Drive, Nursling
Southampton
Hampshire
SO16 0BT

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